Elizabeth L. Ziegler Executive Director

February 22, 2019

Re: Advisory Opinion No. 2019.02.CF.002

Dear

At the February 22, 2019 meeting of the Missouri Ethics Commission, your request for an opinion was discussed.

## **Opinion**

Pursuant to § 105.955.16, RSMo, the Missouri Ethics Commission may issue a written opinion regarding any issue on which the Commission may receive a complaint as identified in § 105.957, RSMo. The Commission receives complaints alleging violations of campaign finance provisions of Missouri law. This opinion is issued within the context of Missouri's laws governing such issues and assumes the facts presented by you in your letter.

The questions presented and the Commission's opinion are as follows:

May an incorporated association, which is a connected organization, legally impose mandatory PAC contributions on its members as part of annual dues and as a prerequisite to membership in the association?

Are there any violations associated with such mandatory contributions?

Are there any reporting requirements?

Section § 130.028.2, RSMo, provides that:

No employer, corporation, continuing committee, or labor organization shall receive or cause to be made contributions from its members or employees except on the advance voluntary permission of the members or employees.

A contribution is "a payment, gift, loan, advance, deposit, or donation of money or anything of value . . . for the support of any committee supporting or opposing candidates or ballot measures . . . . " § 130.011(12), RSMo. Notably, contribution does not include "[t]he costs incurred by any connected organization . . . for establishing, administering or maintaining a committee, or for the

solicitation of contributions to a committee which solicitation is solely directed or related to the members, officers, directors, employees or security holders of the connected organization[.]" *Id.* 

A "connected organization" is "any organization such as a corporation, a labor organization, a membership organization, a cooperative, or trade or professional association which expends funds or provides services or facilities to establish, administer or maintain a committee or to solicit contributions to a committee from its members, officers, directors, employees or security holders." § 130.011(11), RSMo.

Because your association is a corporation and a connected organization, it may solicit PAC contributions from its members for the benefit of the PAC, but it may not impose mandatory PAC contributions on those members. The statute that establishes this restriction provides that "[v]iolation of this section by the corporation, employer, continuing committee or labor organization shall be a class A misdemeanor." § 130.028.2, RSMo. Because mandatory PAC contributions are expressly prohibited by statute, there are no reporting requirements.

Sincerely,

Elizabeth L. Ziegler Executive Director

> Missouri Ethics Commission State of Missouri